



Wyoming Department of Health
Aging Division

Policy Information Notice

DATE: February 22, 2006

PIN #: FISC-2006-002
(Replaces FISC-2004-001)

SUBJECT: Compliance with State and Federal Audit Requirements (REVISED)

TO: Administration on Aging (AoA) Program Grantees
Community Based In-Home Service (CBIHS) Grantees
All Other Aging Division Grantees and Contractors

This Policy Information Notice (PIN) provides guidance regarding the State and Federal audit requirements with which all Aging Division grantees and contractors/sub-recipients must comply. Per Federal law, the independent auditors for the State require that the Aging Division track the audit status of each contractor annually. Please note that the term "contractor" will be used throughout this document to refer to all grantees, contractors and sub-recipients.

The Department of Health, Aging Division, and their contractors are required to follow all State of Wyoming laws and rules pertaining to audits, plus Federal administrative grant and audit regulations, per the Office of Management and Budget (OMB) Circulars. As a part of meeting the audit standards for Federal and State awards, the Aging Division annually provides their contractors with an Audit Information Questionnaire, which must be completed in its entirety and submitted to the Aging Division.

Audits shall be conducted in accordance with the General Accounting Office's Standards of Audit of Governmental Organizations, Programs, Activities, and Functions; the Guidelines for Financial and Compliance Audits of Federally Assisted Programs; and generally accepted auditing standards established by the American Institute of Certified Public Accountants. The contractor is responsible for selecting an appropriate qualified auditor.

DISCLAIMER: This PIN reflects general audit information, which is accurate (to the best of our knowledge) on the issue date of this document only. Each contractor is liable for understanding their organization's legal and fiscal responsibilities, and for complying with all directives and amendments established in State of Wyoming and Federal audit requirements. Please consult your auditor and accountant to determine specific requirements for your organization. A listing of important resources is included at the end of this document, for your further information.

WYOMING DEPARTMENT OF HEALTH AUDIT REQUIREMENTS:

- I. **Aging Division rules require all grantees to have annual audits**, per Chapter 6, Section 1.(c), of the Aging Division's rules: "Annual audits will be conducted by each grantee for each of the programs funded in the project period." However, this audit requirement can now be met in an appropriate way for the amount of funding received from the Aging Division and Wyoming Department of Health WDH). **Please refer to PIN # FISC-2006-001 for detailed information.**

Please note: Federal funds, and State funds provided by the Aging Division specifically as match to the Federal funds, cannot be used to pay for the cost of a Wyoming Department of Health/Aging Division required audit. (See Federal Audit Requirements, below, for information regarding a contractor that expends more than \$500,000 of Federal funds during their fiscal year.) **However, State funds provided by the Wyoming Senior Services Board may be used to pay for audits, if applicable.**

- II. **Audit Information Questionnaire:** The Wyoming Department of Health, Aging Division, will provide an Audit Information Questionnaire to each contractor annually. Contractors will be required to complete the questionnaire in its entirety, and submit it to the Aging Division by the date specified (usually with grant applications). The questionnaire will be kept on file, as required by the Aging Division's independent auditor, and State and Federal law.
- III. **State Audit Report Submission Requirements:** Following each audit, the contractor shall submit one full copy of the completed audit report to the Wyoming Department of Health, Aging Division. The audit shall be complete and submitted to the Aging Division within 30 days after the contractor's receipt of the auditor's report, or nine months after the end of the audit period, whichever comes first.

FEDERAL AUDIT REQUIREMENTS:

- I. **Non-Federal contractors with Federal expenditures of less than \$500,000:**
Non-Federal entities that expend less than \$500,000 a year in Federal funds are, in general, **EXEMPT** from Federal OMB Circular A-133 audit requirements for that year. However, records must be available for review or audit by the appropriate Federal and State officials.

In general, if the entity expends less than \$500,000 of Federal funds in a year, the cost of an audit cannot be paid with Federal funds.

- II. **Non-Federal contractors with annual Federal expenditures of \$500,000 or more:**
Non-federal entities that expend **\$500,000 or more** in a year in Federal funds should refer to the provisions contained in OMB Circular A-133.

In general, the cost of a required A-133 audit for entities meeting or exceeding the Federal Expenditure Threshold (currently \$500,000) may be an allowable expense to be charged to a Federal award.

- III. **OMB Circular A-133 Audit Report Submission:** Following each required A-133 audit, and the submission of the audit package and forms to the Federal clearinghouse designated by OMB, the contractor shall submit one complete copy of the audit report to the Wyoming Department of Health, Aging Division.

RESOURCES

The following informational resources are available, based on the contractor type:

- ▶ **State and Local Governments** OMB Circular A-102 Uniform Administrative Requirements, OMB Circular A-87 Cost Principles, OMB Circular A-133 Audits
- ▶ **Non-Profits and Higher Institutions** OMB Circular A-110 Uniform Administrative Requirements, OMB Circular A-122 Cost Principles, OMB Circular A-133 Audits
- ▶ **Educational Institutions** OMB Circular A-110 Uniform Administrative Requirements, OMB Circular A-21 Cost Principles, OMB Circular A-133 Audits
- ▶ **For-Profit Organizations** 48 CFR Part 31]

The Federal Office of Management and Budget (OMB) Circulars can be found at the following website: <http://www.whitehouse.gov/omb/circulars>

Wyoming State Statutes and rules can be found at the following websites:

<http://legisweb.state.wy.us/>

<http://www.state.wy.us/>

<http://soswy.state.wy.us/>